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Los Angeles County  
Department of Regional Planning

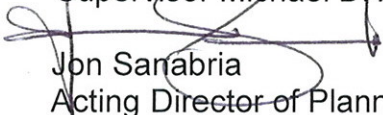
*Planning for the Challenges Ahead*



August 6, 2009

Jon Sanabria  
Acting Director of Planning

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM:  Jon Sanabria  
Acting Director of Planning

SUBJECT: **RESPONSE TO BOARD MOTION TO INITIATE PROGRAM 10:  
INCLUSIONARY HOUSING PROGRAM, AND PROGRAM 12: SMALL  
LOT SUBDIVISIONS, OF THE HOUSING ELEMENT (AUGUST 5, 2008,  
ITEM #68)**

At the public hearing for the Los Angeles County Housing Element on August 5, 2008, the Board instructed the Department of Regional Planning (DRP) to initiate the required feasibility studies for establishing a program for small lot subdivisions and an inclusionary housing policy, and report back to the Board within a year.

**Program 10: Inclusionary Housing Program**

The intent of Program 10 of the Housing Element is to consider the feasibility of establishing an inclusionary housing program for the unincorporated areas.

Over the course of the year, the DRP staff prepared an extensive literature review of research on inclusionary housing, distributed and analyzed a stakeholder survey, and met with numerous stakeholders, including but not limited to planners from other local jurisdictions, building industry representatives, housing advocates, researchers and housing developers to discuss the pros and cons of inclusionary housing. The DRP staff also worked closely with CDC staff and the Housing Advisory Committee to identify key issues.

The DRP staff is currently finalizing the draft of the study, but will need additional time to ensure that all stakeholder comments are accurately represented. In addition, the DRP staff plans to provide briefings to the Board office planning deputies, CEO and the Regional Planning Commission prior to submitting the report to the Board. The Department will provide another status report no later than October 1, 2009.

**Program 12: Small Lot Subdivisions**

The intent of Program 12 of the Housing Element is to consider the feasibility of establishing a small lot subdivision program for the unincorporated areas.

Over the course of the year, the DRP staff met with the Board planning deputies, Regional Planning Commission, various County departments, committees and other agencies, as well as architects and housing developers, to discuss the small lot subdivision concept. The DRP staff worked closely with staff from CDC, DPW and Fire to identify key issues on small lot subdivisions. In addition, the DRP staff conducted multiple GIS analyses and a comprehensive review of zoning and General Plan policies, to study the impacts and applicability of a potential small lot subdivision policy. The staff is currently finalizing the draft of the study. The Department will provide another status report no later than October 1, 2009.

If you have any questions regarding these studies, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

JS:RCH:CC

c: Chief Executive Office, Attn. Lari Sheehan  
County Counsel  
Executive Office  
Department of Public Works  
Community Development Commission





Los Angeles County  
Department of Regional Planning

*Planning for the Challenges Ahead*



December 1, 2009

Jon Sanabria  
Acting Director of Planning

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
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FROM: Jon Sanabria  
Acting Director of Planning

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At the public hearing for the Los Angeles County Housing Element on August 5, 2008, the Board instructed the Department of Regional Planning (DRP) to initiate the required feasibility studies for establishing a program for small lot subdivisions and an inclusionary housing policy, and report back to the Board within a year. The staff completed the study for Program 12: Small Lot Subdivisions, and submitted a copy to the Board on October 1, 2009.

**Program 10: Inclusionary Housing Program**

The intent of Program 10 of the Housing Element is to consider the feasibility of establishing an inclusionary housing program for the unincorporated areas.

Since August 2008, the DRP staff has prepared an extensive literature review of research on inclusionary housing, distributed and analyzed a stakeholder survey, and met with numerous stakeholders, including but not limited to planners from other local jurisdictions, building industry representatives, housing advocates, researchers and housing developers to discuss the pros and cons of inclusionary housing. The DRP staff also worked closely with CDC staff and the Housing Advisory Committee to identify key issues. More recently, the staff met with the Building Industry Association/Los Angeles Ventura Chapter to provide a status report on the implementation of this program.

The DRP staff is finalizing the study, but will need additional time to ensure that all stakeholder comments are accurately represented. In addition, as the California State Supreme Court recently denied review of *Palmer/Sixth Street Properties v. City of Los Angeles*, which impacts local inclusionary housing policies, the staff will need time to

track the anticipated legislative responses to the court's decision. Furthermore, the staff plans to provide briefings to the Board office planning deputies, CEO and the Regional Planning Commission prior to submitting the report to the Board. The Department will provide another status report no later than March 1, 2010.

If you have any questions regarding these studies, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

JS:RCH:CC

c: Chief Executive Office, Attn. Lari Sheehan  
County Counsel  
Executive Office  
Department of Public Works  
Community Development Commission



# Los Angeles County Department of Regional Planning

*Planning for the Challenges Ahead*



March 1, 2010

Richard J. Bruckner  
Director

TO: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM:  Richard J. Bruckner  
Director of Planning

SUBJECT: **RESPONSE TO BOARD MOTION TO INITIATE PROGRAM 10:  
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### **Program 10: Inclusionary Housing Program**

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Since August 2008, the DRP staff has prepared an extensive literature review of research on inclusionary housing, distributed and analyzed a stakeholder survey, and met with numerous stakeholders, including but not limited to planners from other local jurisdictions, building industry representatives, housing advocates, researchers and housing developers to discuss the pros and cons of inclusionary housing. The DRP staff also worked closely with CDC staff and the Housing Advisory Committee to identify key issues.

A recent court decision in *Palmer/Sixth Street Properties vs. City of Los Angeles*, which found that, in some cases, affordability requirements to rental housing violate the Costa-Hawkins Act, has profoundly impacted many local jurisdictions. The Costa-Hawkins Act affords rental property owners the right to establish the initial rate of a new or vacated unit. The decision does not impact inclusionary housing policies that require affordable housing fees, affordable set-asides for for-sale projects, or affordable housing set-asides when the applicants enter into an agreement to provide affordable units in exchange for financial assistance, incentives or as part of a development agreement. While many groups and local jurisdictions have discussed pursuing legislative changes to the Costa-Hawkins Act to exempt local inclusionary housing ordinances, there are no bills proposed at this time.

Below is a summary of how other local jurisdictions have responded to the *Palmer/Sixth Street Properties v. City of Los Angeles* decision:

### **Berkeley**

The City of Berkeley, which has an inclusionary housing ordinance with mandatory rental affordable set-asides, responded to *Palmer/Sixth Street Properties v. City of Los Angeles* by initiating the preparation of new affordable housing policies, including an affordable housing mitigation fee, a special tax to fund affordable housing development, and revisions to its density bonus program. In February 2010, the City Council voted to allocate \$30,000 to prepare a nexus study to support these three initiatives.

### **Los Angeles**

The City of Los Angeles, which has initiated the preparation of a Mixed Income Housing Ordinance, recently issued a report to the City Council Planning and Land Use Management Committee to identify the following options for the ordinance in light of the *Palmer* decision: 1) change the Costa-Hawkins Act; 2) enact an affordable housing impact fee as an alternative to affordable housing set-asides for rental housing, along with a nexus study; 3) impose a Citywide ordinance that focuses solely on for-sale projects; or 4) require affordable set-asides for rental and for-sale housing with a future effective date. The report also highlights the lack of staff resources to complete the ordinance, given the current economic climate.

### **San Francisco**

The City and County of San Francisco, which has an inclusionary housing ordinance with mandatory rental affordable set-asides, has responded to *Palmer/Sixth Street Properties v. City of Los Angeles* in two ways. On December 15, 2009, the Board of Supervisors passed a resolution to urge the State legislature to amend the Costa-Hawkins Act to exempt local inclusionary zoning ordinances. In addition, San Francisco has enacted interim measures to require affordable housing fees for rental housing, and will consider future amendments to its inclusionary housing ordinance.

In light of the *Palmer* decision, the staff will need additional time to track the anticipated legislative responses to the court's decision, and to conduct additional research to assess the feasibility of an inclusionary housing policy for the unincorporated areas. The Department will provide another status report no later than August 1, 2010.

If you have any questions regarding this study, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

RJB:RCH:CC

c: Chief Executive Office, Attn. Lari Sheehan  
County Counsel  
Executive Office  
Department of Public Works  
Community Development Commission



Los Angeles County  
Department of Regional Planning

*Planning for the Challenges Ahead*



Richard J. Bruckner  
Director

August 3, 2010

TO: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Richard J. Bruckner  
Director

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Since August 2008, the DRP staff has prepared a preliminary draft of the study, which includes an extensive literature review of research on inclusionary housing, and the results of a stakeholder survey. The preliminary draft also reflects outreach with numerous stakeholders, including but not limited to planners from other local jurisdictions, building industry representatives, housing advocates, researchers and housing developers. The DRP staff also worked closely with CDC staff and the Housing Advisory Committee to identify key issues.

The recent court decision in *Palmer/Sixth Street Properties vs. City of Los Angeles*, which found that mandatory affordability requirements for rental housing violate the Costa-Hawkins Act, impacted many local jurisdictions' inclusionary housing policies. At this time, the staff is not aware of any organizations that are pursuing legislative changes to address this decision.

In conjunction with County Counsel, the Department of Regional Planning will rework the preliminary draft of the study to focus on the feasibility of inclusionary housing policies that are not impacted by the *Palmer* decision, which may include: requirements for affordable housing fees; requirements for affordable housing set-asides for for-sale projects; or requirements for affordable housing set-asides when applicants enter into an agreement to provide affordable units in exchange for financial assistance, incentives or as part of a development agreement.



The Honorable Board of Supervisors  
August 3, 2010  
Page 2 of 2

The staff will provide a status report to the Board no later than December 1, 2010. If you have any questions regarding this study, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

RJB:CC:AR

c: Chief Executive Office, Attn. Brence Culp  
County Counsel  
Executive Office  
Department of Public Works  
Community Development Commission



Los Angeles County  
Department of Regional Planning

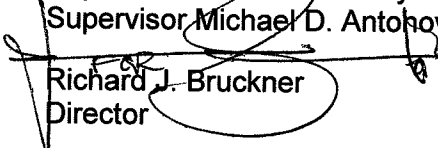
*Planning for the Challenges Ahead*



Richard J. Bruckner  
Director

December 1, 2010

TO: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
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Supervisor Zev Yaroslavsky  
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FROM:   
Richard J. Bruckner  
Director

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In light of the court decision in *Palmer/Sixth Street Properties vs. City of Los Angeles*, which found that mandatory affordability requirements for rental housing violate the Costa-Hawkins Act, the DRP is reworking the preliminary draft to ensure consistency with this recent decision.

The staff will provide a status report to the Board no later than April 1, 2011. If you have any questions regarding this study, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

RJB:JS:CC:AR

c: Chief Executive Office, Attn. Rita Robinson  
County Counsel  
Executive Office  
Department of Public Works  
Community Development Commission



Los Angeles County  
Department of Regional Planning

*Planning for the Challenges Ahead*



Richard J. Bruckner  
Director

December 29, 2011

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Richard J. Bruckner *DJS for RJB*  
Director

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In *Palmer/Sixth Street Properties vs. City of Los Angeles* (2009), the California Court of Appeals found that mandatory affordability requirements for rental housing violate the Costa-Hawkins Act. DRP has been tracking the progress of SB 184 (Leno), which would authorize the County to adopt ordinances to establish inclusionary housing requirements as a condition of development, and provide more clarity for local jurisdictions implementing inclusionary housing programs. The intent of this legislation is to supersede the *Palmer* decision. The bill failed passage on the Senate Floor on June 2, 2011, by a vote of 17 to 18; however, the Senate may vote again on this bill in January 2012.

DRP staff will continue to track SB 184. In addition, we will continue to work with County Counsel and revise the preliminary draft report, as needed, to ensure consistency with the law.

DRP will provide a status report to the Board no later than July 2, 2012. If you have any questions regarding this study, please contact Connie Chung at (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

RJB:JS:CC:AR

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